REMARKS

Claims 1 and 3-48 are pending in the present application. Claims 1, 18, 25, 37, and 45 have been amended. Claims 1 and 3-48 stand rejected under 35 U.S.C. § 103(a). The rejections of claims 1 and 3-48 under 35 U.S.C. § 112 have been reversed on Appeal.

Rejection of Claims 1, 3-35, 37-42, and 44-48 under 35 U.S.C. § 103(a)

Claims 1, 3-35, 37-42, and 44-48 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Carlisle, Derksen, Gungl, and O'Mahony. This rejection is respectfully traversed.

The Decision on Appeal recites, "We found in our analysis under indefiniteness that a distinction between general and application-specific values may be *de minimis* because of the overlap of the scope according to the definitions. As we found *supra*, any value that is used in plural transactions is a general value and any value that has limited acceptance is an application-specific value according to the Specification. Thus, the Appellants' argument that a value is not a general value must be analyzed in light of the overlap of the scope of the two values." *See* page 17. Thus, in order to clarify the uses of general value and application-specific value, claim 1 has been amended to recite "wherein the application-specific value is accessible for a transaction with only one type of merchant" and "wherein the general value is accessible for use as cash."

The Decision on Appeal asserts only O'Mahony for transferring amounts between values and recognizes that O'Mahony fails to describe this exchange on a card. O'Mahony does not teach or suggest "such that general value is transferable to the application-specific value for use as application-specific value on the transaction card, and application-specific value is transferable to the general value for use as general value on the transaction card," as recited in amended claim 1, and similarly recited in claims 18, 25, 37, and 45. Claims 18 and 25 have been amended to recite that the exchange occurs "on the transaction card," and claims 37 and 45 have been amended to recite that the exchange occurs "on the smart card." The Decision states that O'Mahony is relied on "to show the practice of exchanging amounts between general and application-specific values for the purpose of recharging and refunding from the application-specific value." *See* page 19. However, O'Mahony recites a single account for the user, not multiple accounts. As a result, the user in O'Mahony cannot exchange funds between multiple accounts, because the user only has one account. Any transferring of funds occurs when the user

makes a purchase and transfers funds to the merchant. *See* O'Mahony, Fig. 16. When the customer desires a refund, O'Mahony transfers a remaining account balance from the merchant to the customer. In contrast, as recited in claim 1, the exchange of funds between application-specific value and general value must occur on the transaction card, not between the customer and merchant.

Indeed, none of the cited references teach or suggest exchanging amounts on a transaction card. The undersigned representative does not dispute that exchanging funds between a first account and a second account is known. However, it is believed that it is novel to transfer funds between a general value account and an application-specific value account on a transaction card. Taskett, for example, recites a method for adding value to a telephone card. *See*, e.g., col. 7, lines 15-38. But the transfer is not occurring from one account on the card to another account on the card. Therefore, none of the cited references teach or suggest each and every limitation as recited in amended claims 1, 18, 25, 37, and 45.

Because the cited references, either alone or in combination, do not teach or suggest the limitations of independent claims 1, 18, 25, 37, and 45, the Examiner has failed to establish the required *prima facie* case of unpatentability. Similarly, the Examiner has failed to establish a *prima facie* case of unpatentability for claims 3-17 that depend on claim 1, claims 19-24 that depend on claim 18, claims 26-35 that depend on claim 25, claims 38-42 and 44 that depend on claim 37, and/or claims 46-48 that depend on claim 45, and which recite further specific elements that have no reasonable correspondence to the references. Therefore, it is respectfully requested that the rejection of claims 1, 3-35, 37-42, and 44-48 be withdrawn.

Rejection of Claims 36 and 43 under 35 U.S.C. § 103(a)

Claims 36 and 43 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Carlisle, Derksen, Gungl, O'Mahony, and Taskett. This rejection is respectfully traversed. As noted above, because Carlisle, Derksen, Gungl, and O'Mahony, either alone or in combination, do not teach or suggest independent claims 25 and 37, the Examiner has failed to establish the required *prima facie* case of unpatentability of independent claims 25 and 37, and similarly has failed to establish a *prima facie* case of unpatentability for claim 36 that depends on claim 25 and claim 43 that depends on claim 37, and which recite further specific elements that have no reasonable

correspondence to the references. Therefore, it is respectfully requested that the rejection of claims 36 and 43 be withdrawn.

CONCLUSION

The undersigned representative respectfully submits that this application is in condition for allowance, and such disposition is earnestly solicited. If the Examiner believes that the prosecution might be advanced by discussing the application with the undersigned representative, in person or over the telephone, we welcome the opportunity to do so. In addition, if any additional fees are required in connection with the filing of this response, the Commissioner is hereby authorized to charge the same to Deposit Account No. 504402.

Respectfully submitted,

Date: October 20, 2008 By: */Eric L. Sophir, Reg. #48,499/*

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